



2015 ASSEMBLY BILL 1020

April 7, 2016 – Introduced by Representative DUCHOW. Referred to Committee on Rules.

1 **AN ACT to amend** 71.26 (3) (c), 71.27 (1) and (2) and 71.46 (1) to (3) of the statutes;
2 **relating to:** lowering the corporate income and franchise tax rate.

Analysis by the Legislative Reference Bureau

This bill lowers the income and franchise tax rate for corporations, including insurers, from 7.9 percent to 7.65 percent.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 71.26 (3) (c) of the statutes is amended to read:
4 71.26 (3) (c) Section 108 (b) (relating to reduction of tax attributes) is modified
5 so that the net operating loss under sub. (4), not the federal net operating loss, and
6 Wisconsin credits, not federal credits, are applied, and the reduction rate for a credit
7 carry-over is ~~7.9%~~ 7.65 percent, not ~~33 1/3%~~ 33 1/3 percent.

8 **SECTION 2.** 71.27 (1) and (2) of the statutes are amended to read:

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SECTION 2

71.27 (1) The taxes to be assessed, levied and collected upon Wisconsin net incomes of corporations shall be computed at the rate of ~~7.9%~~ 7.65 percent.

(2) The corporation franchise tax imposed under s. 71.23 (2) and measured by Wisconsin net income shall be computed at the rate of ~~7.9%~~ 7.65 percent.

SECTION 3. 71.46 (1) to (3) of the statutes are amended to read:

71.46 (1) The taxes to be assessed, levied and collected upon Wisconsin net incomes of corporations shall be computed at the rate of ~~7.9%~~ 7.65 percent.

(2) The corporation franchise tax imposed under s. 71.43 (2) and measured by Wisconsin net income shall be computed at the rate of ~~7.9%~~ 7.65 percent.

(3) The tax imposed under this subchapter on each domestic insurer on or measured by its entire net income attributable to lines of insurance in this state may not exceed ~~2%~~ 2 percent of the gross premiums, as defined in s. 76.62, received during the taxable year by the insurer on all policies on those lines of insurance if the subject of that insurance was resident, located or to be performed in this state plus ~~7.9%~~ 7.65 percent of the income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in this state.

SECTION 4. Initial applicability.

(1) This act first applies to taxable years beginning after December 31, 2015.

(END)